



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

DECEMBER 17, 2002

<u>TM GRAIN TRANSPORT COST INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>	
				<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 12/17	94	98	97	113	134
Compared to Last Week	↓	↓	↓	↑	↑
<i>*Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel, based on Routes to Japan</i>					

Jan. 12-16, '03	Transportation Research Board (TRB) 82 nd Annual Meeting	Washington, DC	202-334-2934 (ph) 202-334-2003 (fax) www.trb-agtrans.org/events.htm
Jan. 19-22	American Farm Bureau Federation (AFBF) 84 th Annual Meeting and Convention	Tampa Bay, FL	847-685-8600 (ph) 202-484-3600 (ph) www.fb.org
Jan. 26-31	Wheat Industry Conference	Albuquerque, NM	202-547-7800 (ph) wheatworld@wheatworld.org
Feb. 9-12	U.S. Grains Council Annual Meeting	Guadalajara, MX	202-789-0789 (ph) grains@grains.org
Feb. 11-13	World Ag Expo	Tulare, CA	614-292-4278 (ph)
Feb. 16-18	Annual Sorghum Industry Conference and 23 rd Biennial Research & Utilization Conf.	Albuquerque, NM	806-749-3478 (ph) conference@sorghumgrowers.com
Feb. 20-21	USDA 79 th Annual Agricultural Outlook Forum	Arlington, VA	202-314-3451 (ph) agforum@oce.usda.gov
Feb. 27-Mar. 1	Commodity Classic Trade Show	Charlotte, NC	Beth Musgrove 314-275-9915 (ph) musgrove@ncga.com
Mar. 10-12	American Farmland Trust National Conf.	Pacific Grove, CA	Doris Mittasch 413-589-9330 (ph) dmittasch@farmland.org
Mar. 25-28	National Grain and Feed Association (NGFA) 107 th Annual Convention	Tucson, AZ	202-289-0873 (ph) 202-289-5388 (fax) ngfa@ngfa.org
May 4-6	North American Rail Shippers Assoc. Annual Meeting	Washington, DC	202-639-2100 (ph)
May 5-7	American Feed Association Expo 2003	Minneapolis, MN	703-524-0810 (ph) afia@afia.org

Report is prepared by Deen Olowolayemo, Hooshang Fazel, and Johnny Hill, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

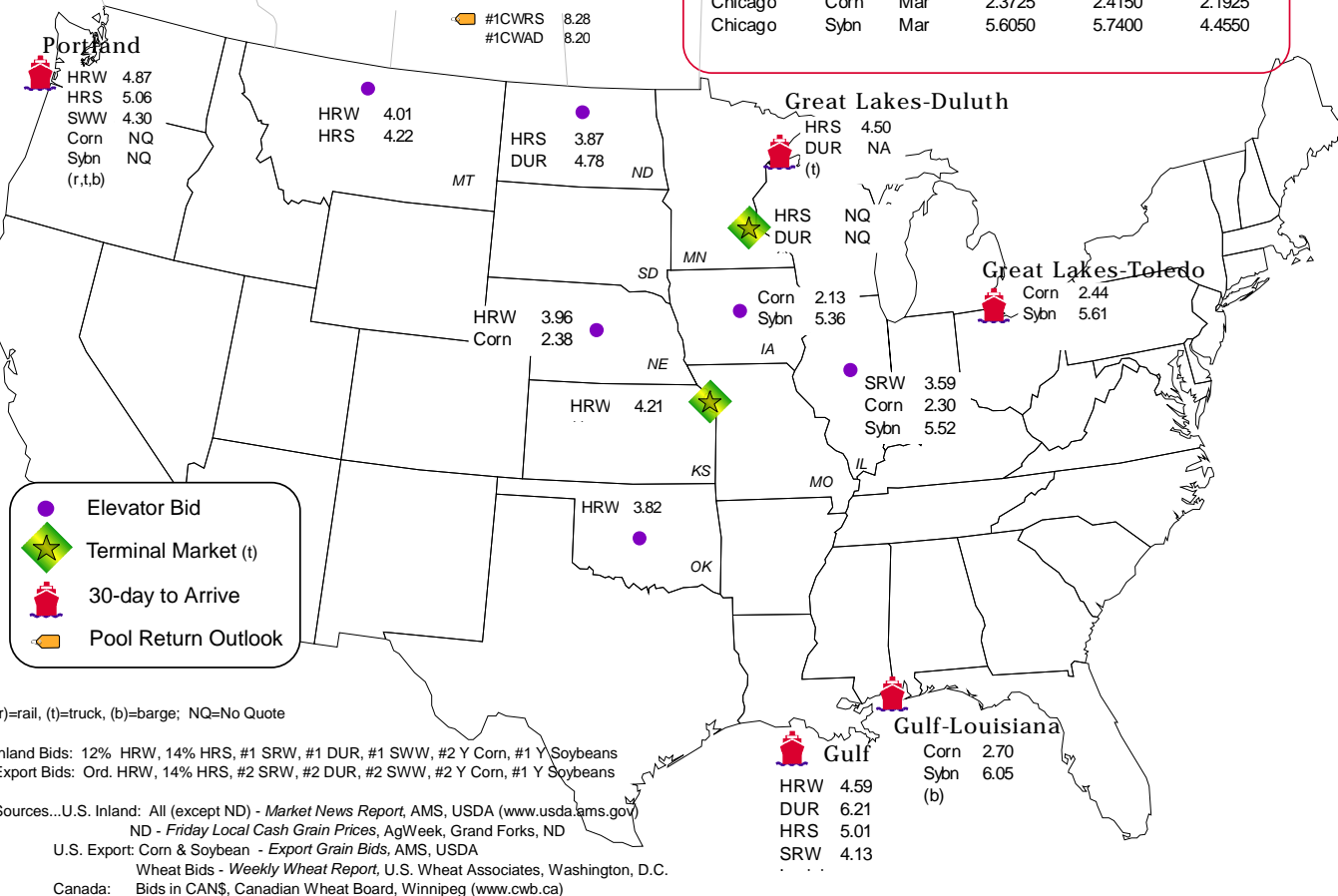
Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.40	-0.42
Corn	NE -- Gulf	-0.32	-0.32
Soybean	IA -- Gulf	-0.69	-0.69
HRW	KS -- Gulf	-0.38	-0.34
HRS	ND -- Portland	-1.19	-1.15

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Grain Bid Summary

Futures:				12/09/2002	Week Ago 11/29/2002	Year Ago 11/30/2001
Kansas City	Wht	Mar		3.9175	4.3275	2.8950
Minneapolis	Wht	Mar		4.0575	4.1950	3.1050
Minneapolis	Dur	Mar		n.a.	5.7000	n.a.
Chicago	Wht	Mar		3.5775	3.7975	2.8425
Chicago	Corn	Mar		2.3725	2.4150	2.1925
Chicago	Sybn	Mar		5.6050	5.7400	4.4550



RAIL TRANSPORTATION

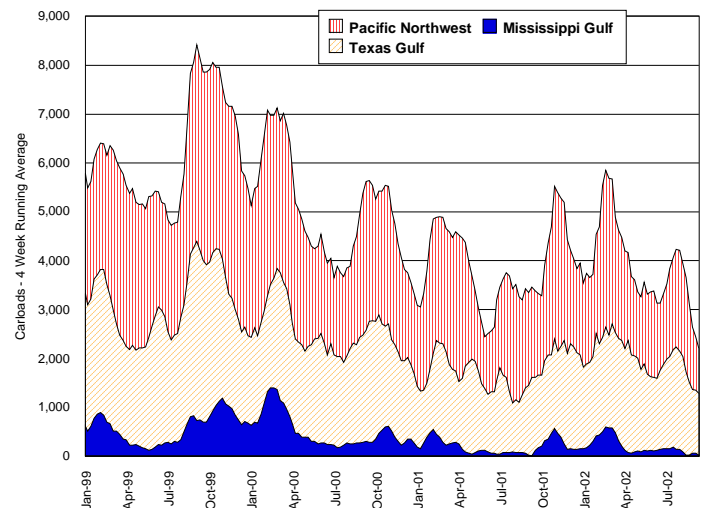
Rail Deliveries to Port

Carloads

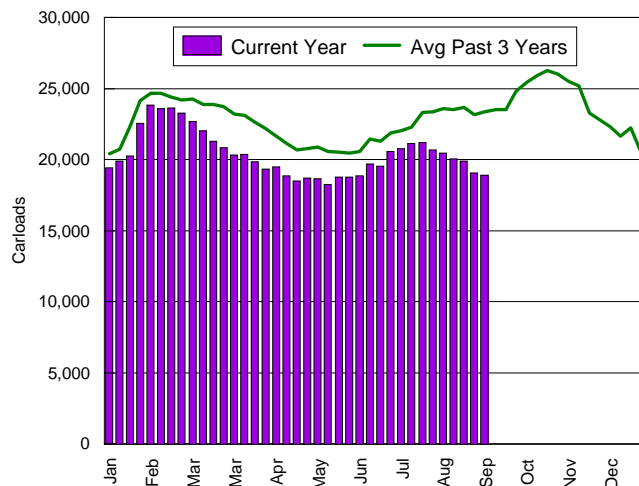
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
11/27/02	27	1,205	3,052	411	4,695
12/04/02	480	767	2,534	160	3,941
YTD 2002	10,328	80,691	104,827	19,509	215,355
YTD 2001	9,625	76,433	105,591	24,868	216,517
% YTD 2001	107%	106%	99%	78%	99%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
12/07/02	2,862	3,524	8,835	509	7,024	22,754	3,338	4,021
This Week Last Year	3,305	3,485	8,584	716	7,001	23,091	4,996	4,257
2002 YTD	135,104	155,440	377,894	25,369	325,490	1,019,297	184,378	188,496
2001 YTD	144,421	154,693	406,497	24,578	327,929	1,058,118	240,895	221,289
% of Last Year	94%	100%	93%	103%	99%	96%	77%	85%
2001 Total	151,864	163,018	428,603	26,330	347,156	1,116,971	254,982	232,461

U.S. Rail Carrier Grain Service Index*

Nov-02	93.3	95.6	95.5	102.7	93.1	94.4
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service) for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jan-03	Feb-03	Mar-03
COT/N. Grain	\$0	no bid	no bid
COT/S. Grain	\$0	\$0	\$0
GCAS/Region 1	\$6	no offer	no offer
GCAS/Region 2	\$30	\$2	\$2

Source: Transportation & Marketing/AMS/USDA.

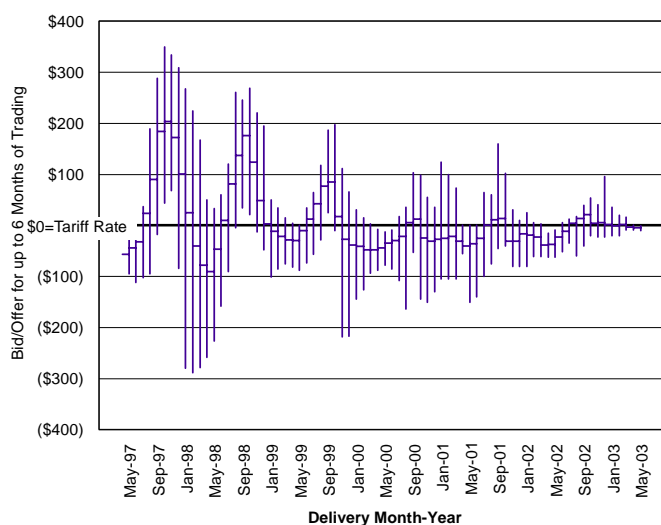
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Dec-02	Jan-03	Feb-03	Mar-03
BNSF-GF	\$5	\$8	\$0	\$0
UP-Pool	\$0	\$34	\$18	\$11

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

December 2002

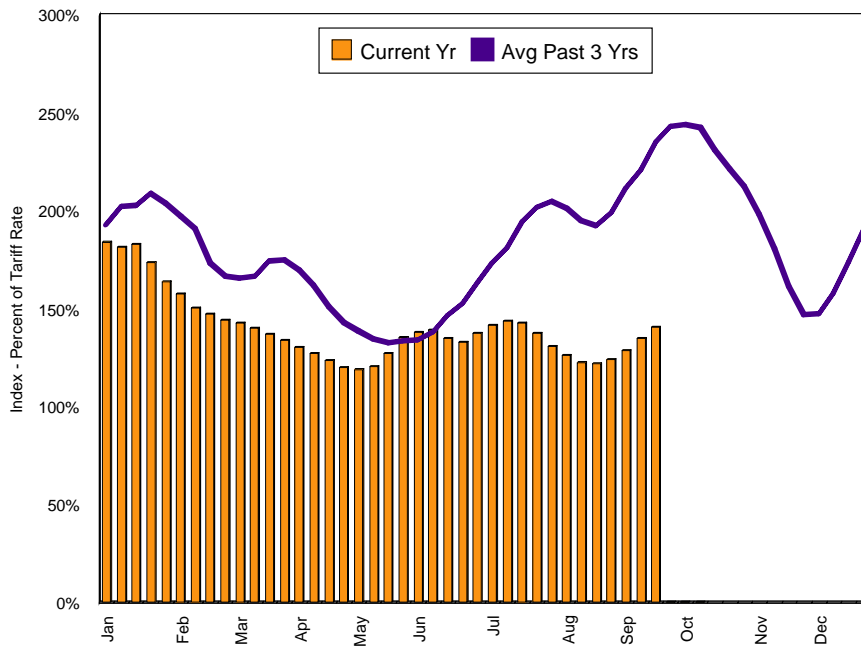
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
12/02/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
12/02/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
12/02/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
12/02/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
12/02/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
12/02/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
12/02/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
12/02/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
12/02/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
12/02/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	12/11/02	12/4/02	Jan. '03	Mar. '03
Twin Cities	nq	nq	nq	205
Mid-Mississippi	250	248	nq	179
Illinois River	228	216	200	167
St. Louis	178	161	140	135
Lower Ohio	140	158	136	135
Cairo-Memphis	129	149	123	124

Source: Transportation & Marketing /AMS/USDA; nq=no quote

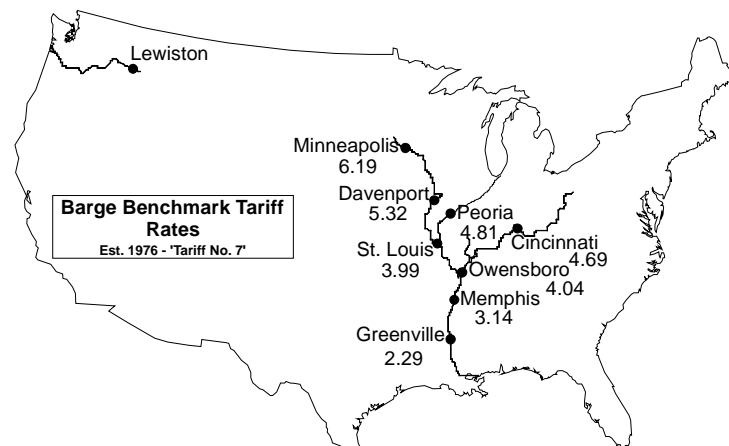
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

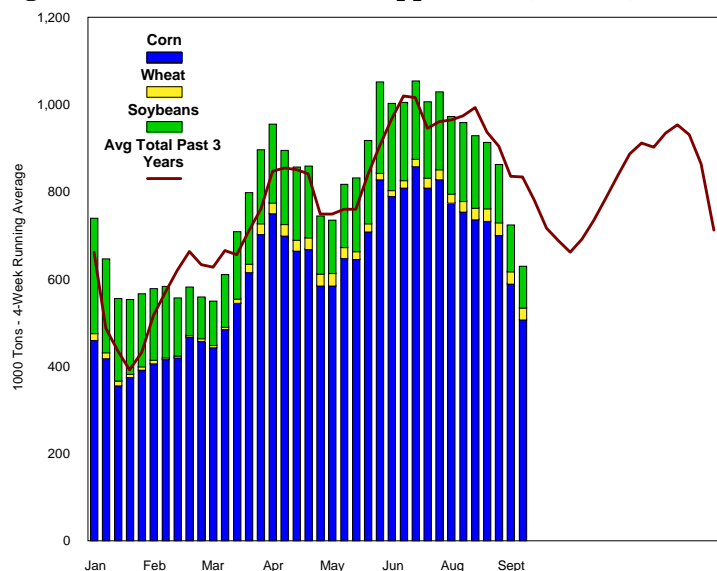
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
12/10/02	St. Louis	Oct	n/a	n/a
		Dec	n/a	153
		Feb	n/a	140
		Apr	n/a	140
		Jun	n/a	140
		Oct	n/a	n/a
	Illinois River	Dec	n/a	180
		Feb	n/a	178
		Apr	n/a	153
		Jun	n/a	150

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements

for week ending 12/7/02

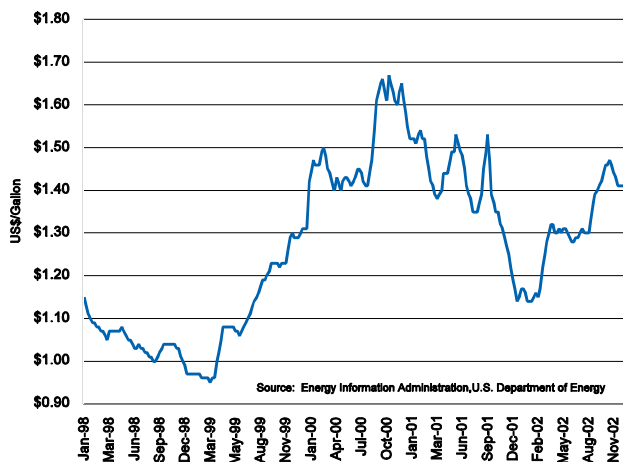
	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	159	25	46	230
Winfield, MO (L25)	789	35	224	1,049
Alton, IL (L26)	1,022	45	330	1,398
Granite City, IL (L27)	1,034	35	304	1,375
Illinois River (L8)	234	11	77	322
Ohio River (L52)	36	0	21	74
Arkansas River (L1)	0	18	15	35
2002 YTD	32,089	2,401	10,548	46,441
2001 YTD	29,397	2,556	8,982	42,737
% of 2001 YTD	109%	94%	117%	109%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers.

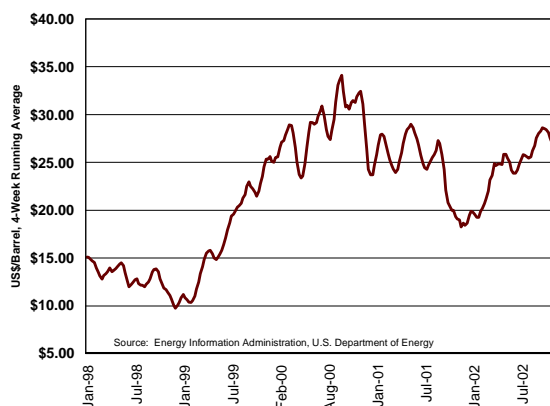
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	29.47	27.49	↑
Brent Crude	28.94	26.23	↑

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

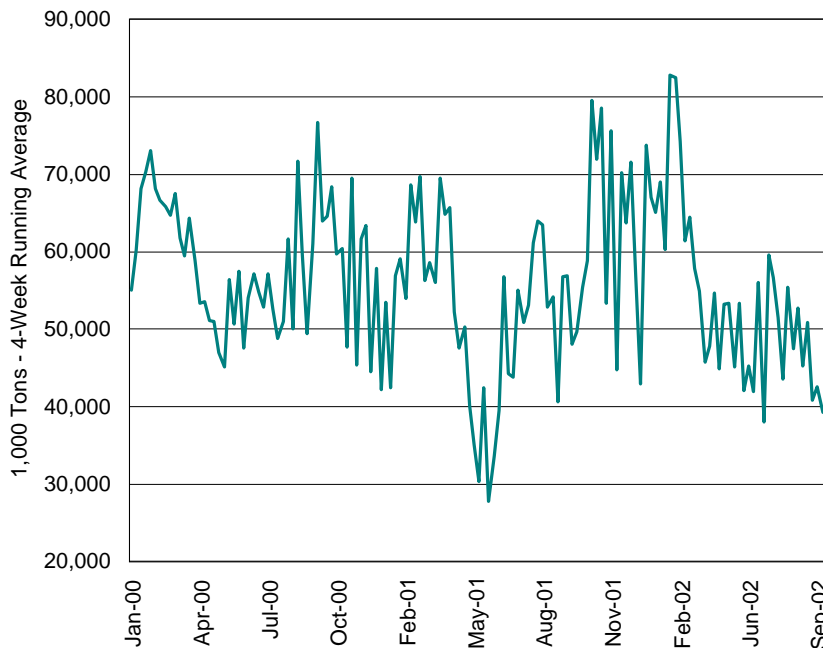
U.S. Export Balances (1,000 Metric Tons)

	HRW	SRW	Wheat		DUR	All	Corn	Soybean	Total
			HRS	SWW					
<u>Unshipped Export Balances</u>									
12/05/02	1,164	731	1,389	722	153	4,159	7,679	8,016	19,854
This Week Year Ago	1,251	563	1,050	533	216	3,614	7,541	8,468	19,623
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	4,362	1,412	3,735	1,874	466	11,849	10,448	9,247	31,544
00/01 YTD	4,412	3,175	2,938	1,767	689	12,981	11,595	17,713	42,289
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
97/98 Total	9,867	6,792	8,918	6,443	897	32,918	55,769	23,550	112,237

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
12/12/02	246	62	0	43	710	581	62	1	0	308	1,334	63
2002 YTD	8,632	3,727	2,752	5,269	34,830	17,163	5,633	262	992	15,111	57,262	6,887
2001 YTD	9,230	4,958	2,645	6,053	33,275	16,041	5,696	263	1,493	16,833	55,369	7,452
% of 2001 YTD	94%	75%	104%	87%	105%	107%	99%	100%	66%	90%	103%	92%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**
1,000 Metric Tons, Week End Summary

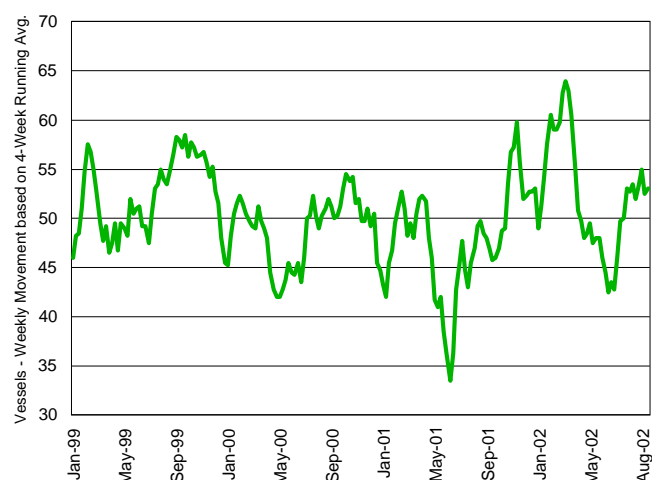
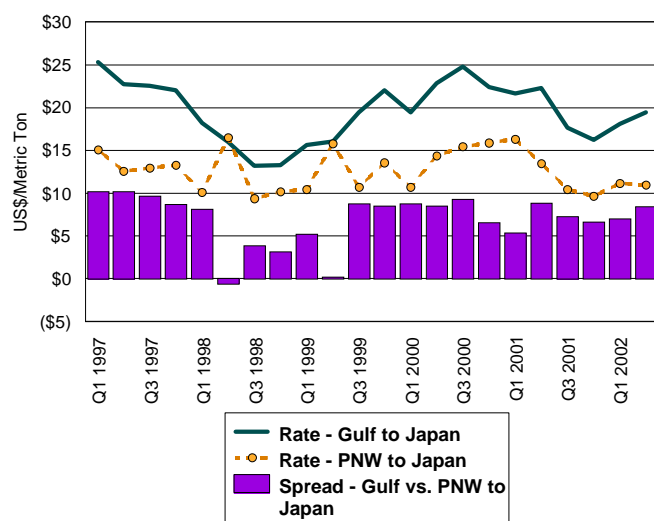
	Wheat	Durum	Barley
12/12/2002			
Vancouver			
Prince Rupert	35	24	
Prairie Direct	5	15	5
Thunder Bay	35	11	
St. Lawrence	2,024	1,110	150
2001/02 YTD	5,240	1,123	391
2002/03 YTD	2,099	1,160	155
% of Last Year	250%	97%	252%

Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
12/05/02	37	54	69	10	2
12/12/02	33	48	87	15	1
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

**Gulf Port Region Grain Vessel Loading
Past 7 Days****Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 3 rd Qtr	2001 3 rd Qtr	% Change		2002 3 rd Qtr	2001 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.54	\$17.69	9%	Japan	\$11.57	\$11.46	10%
Mexico	\$7.14	-	-				
Venezuela	-	\$13.45	-				
N. Europe	-	\$12.06	-				
N. Africa	\$31.64	\$18.21	42%	Argentina to			
Med. Sea	\$11.92	\$12.05	-1%	Med. Sea	\$19.93	-	-
Black Sea	-	-	-	N. Europe	-	\$16.22	-
				Japan	-	\$29.40	-

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Selected Shipments - week ending 12/14/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Ireland	Grains	Dec 16/24	22,000	\$19.00
U.S. Gulf	Djibouti	Wheat Bggd	Jan 20/25	2,340	\$126.25*
U.S. Gulf	Japan	Heavy Grain	Dec 15/30	54,000	\$24.75
PNW	Japan	Heavy Grain	Dec 10/20	54,000	\$18.50

Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

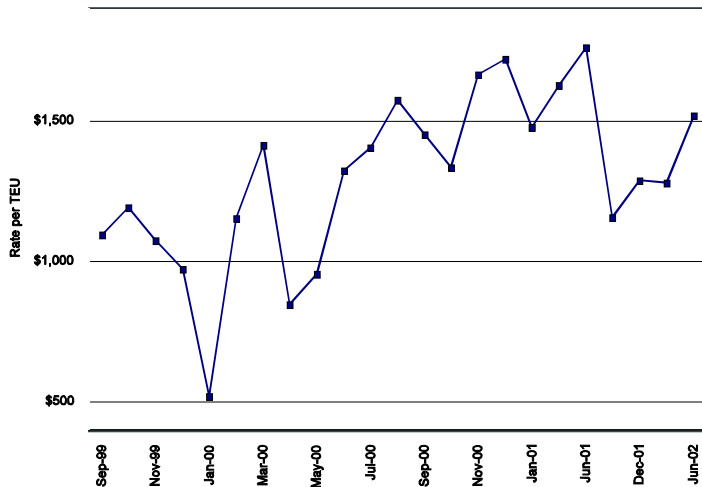
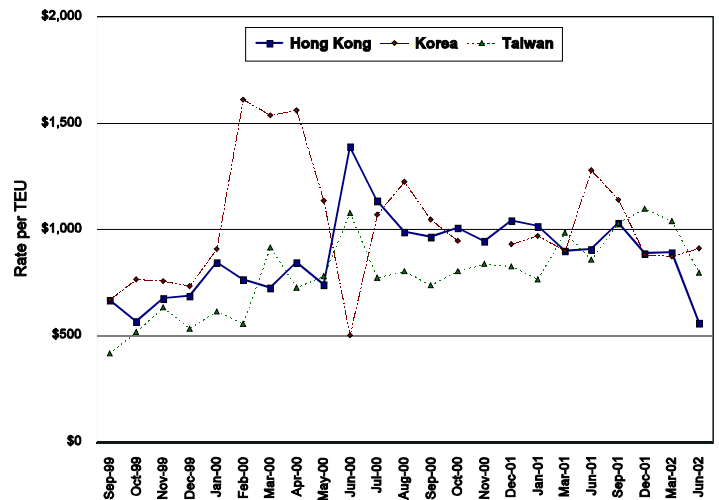
*The Jones Act requires shipments of food aid from the U.S. to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal. Lastly, the loading and unloading of bagged commodities is generally more labor intensive than bulk shipments, which also contributes to the additional cost.

CONTAINER

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.